

STAND. COM. REP. NO. 542-06

Honolulu, Hawaii

FEB 17, 2006

RE: H.B. No. 2323

H.D. 1

Honorable Calvin K.Y. Say
Speaker, House of Representatives
Twenty-Third State Legislature
Regular Session of 2006
State of Hawaii

Sir:

Your Committee on Consumer Protection & Commerce, to which was referred H.B. No. 2323 entitled:

"A BILL FOR AN ACT RELATING TO INSURANCE FRAUD,"

begs leave to report as follows:

The purpose of this bill is to protect consumers from the high cost of insurance fraud by expanding the authority of the Department of Commerce and Consumer Affairs (DCCA) Insurance Fraud Investigations Unit to encompass the investigation and prosecution of insurance fraud relating to all lines of insurance other than workers' compensation insurance.

The Department of Commerce and Consumer Affairs and American Council of Life Insurers supported this measure. The Hawaiian Independent Insurance Agents Association, National Association of Insurance and Financial Advisors, State Farm Insurance, Hawaii Association of Health Plans, Hawaii Insurers Council, and Hawaii Medical Service Association supported the intent of the measure. Kaiser Permanente opposed the bill. The Consumers Lawyers of Hawaii submitted comments.

Your Committee, while in agreement with the intent of the bill, has adopted recommendations to amend the current bill to reflect the consensus language found in H.B. No. 48, H.D. 1, which was introduced in 2005.

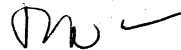
HB2323 HD1 HSCR CPC HMS 2006-2125



As amended, this bill expands the authority of the DCCA Insurance Fraud Investigations Unit to encompass the investigation and prosecution of insurance fraud relating to all lines of insurance, including workers' compensation insurance.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2323, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2323, H.D. 1, and be referred to the Committee on Judiciary.

Respectfully submitted on
behalf of the members of the
Committee on Consumer
Protection & Commerce,



ROBERT N. HERKES, Chair



